

Article - Environment

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§9-1606.

(a) A loan made by the Administration shall be evidenced by a loan agreement. Loans made from the Water Quality Fund, except for loans made in accordance with § 9-1605(d)(9) of this subtitle, shall be subject to the provisions of § 9-1605(d)(1) of this subtitle. Loans made from the Drinking Water Loan Fund, except for loans made in accordance with § 9-1605.1(d)(10) of this subtitle, shall be subject to the provisions of § 9-1605.1(d)(1) of this subtitle. Subject to the provisions of any applicable bond resolution, the Administration may consent to the modification, with respect to rate of interest, time of payment of any installment of principal or interest, security, or any other term of any loan agreement or loan obligation. In connection with any security received by or owned by the Administration, including any loan obligations, the Administration may commence any action to protect or enforce the rights conferred upon it by any law or loan agreement or loan obligation.

(b) Notwithstanding any other provision of public general or public local law, charter, or ordinance, a borrower may issue and sell loan obligations to the Administration:

- (1) At private sale, without public bidding;
- (2) Without regard to any limitations on the denomination of such obligations; and
- (3) At any interest rate or cost or at any price that the borrower considers necessary or desirable.

(c) A borrower may pay any fees or charges necessary to enable the Administration to sell its bonds, including any fees for the insurance of its loan obligations or bonds of the Administration, or to provide any other guarantee, credit enhancement, or additional security for any such loan obligations or bonds.

(d) Notwithstanding any other provision of public general or public local law, charter, or ordinance, a borrower may agree with the Administration to pledge any moneys that the borrower is entitled to receive from the State, including the borrower's share of the State income tax, to secure its obligations under a loan agreement. The State Comptroller and the State Treasurer shall cause any moneys withheld under such a pledge to be paid to, or applied at the direction of, the Administration.

(e) Each loan agreement shall contain a provision whereby the borrower acknowledges and agrees that the borrower's loan obligation is cancelable only upon repayment in full and that neither the Administration, the Secretary, nor the Board is authorized to forgive the repayment of all or any portion of the loan, except for loans to disadvantaged communities, pursuant to the federal Safe Drinking Water Act, and loans made in accordance with §§ 9–1605(d)(9) and 9–1605.1(d)(10) of this subtitle.

(f) In the event of a default on a loan obligation by a borrower other than a local government, the Administration may place a lien against property of the borrower securing the loan which, subject to the tax liens of the federal, State, and local governments, shall have the same priority and status as a lien of the State for unpaid taxes under §§ 14–804 and 14–805 of the Tax – Property Article. The Administration may exercise the same rights and powers in enforcing such lien and collecting funds for the payment of amounts in default under the loan obligation as the State may exercise in collecting unpaid taxes under Title 14, Subtitle 8 of the Tax – Property Article.

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